



*Kerry Agribusiness & Teagasc wish to thank the  
Monitor Farmers and others who host farm events  
and make information available on their farming system  
for the benefit of all Suppliers.*

# REVIEW 2014

## FOCUS ON PROFIT

KERRY AGRIBUSINESS / TEAGASC



# MISSION STATEMENT

## THE JOINT “FOCUS ON PROFIT” PROGRAMME:

*Will empower our client farmers with:*

- The most up-to-date technical advice
- The financial expertise to set and achieve financial goals
- Promote safe, profitable and environmentally sustainable farming
- Enhance the quality of life of all participants

The Kerry Agribusiness/Teagasc partnership has been in existence since 1994. During this period, both organisations worked closely in providing service to the dairy farming community through our Joint Programme “Focus on Profit”. Originally set up to improve milk protein % in milk it has since developed a much broader role in delivering a safe, profitable & environmentally sustainable dairy farming model to our 3,400 milk suppliers.

Adoption of new technology on 14 Monitor Farms and implementation of best practice across 48 discussion groups were the key drivers of the programme during 2014.

In addition all milk suppliers were invited to seasonal events organized by the programme during 2014.

- Animal Breeding Events – March 2014
- Service Provider Information Days – April 2014
- Heavy Soils Project Open Days – May 2014
- Autumn Farm Walks – October 2014



The data in Table 1 shows the overview of farm production on Monitor Farms in 2014 using 2013 for comparison.

**Table 1**

	2013	2014	Range 2014
Cow No's	101	106	79 - 183
Milking Block (Ha)	44.5	44.8	20.2 – 74.84
MB Stocking Rate (Lu/Ha)	2.47	2.58	1.56 – 4.36
Milk Solids/Cow (Kg)	407	400	327 – 460
Milk Solids/Ha MB (Kg)	1003	1033	718 - 1778
Yield/Cow (Lit)	5300	5076	4170 - 5972
Protein %	3.43	3.55	3.42 – 3.73
B'fat %	4.02	4.11	3.82 – 4.46
SCC ('000/ml)	216	201	121 - 347
Grass Production (T. DM/Ha)	11.2	12.4	15.4 – 10.1
Grass Utilisation (T.DM/Ha)	9.4	10.2	12.3 – 8.1
Concentrate/Cow (Kg)	1052	634	236 - 925
Herd EBI (€)	143	149	117 - 186

## BREEDING/CALVING PERFORMANCE

### MONITOR FARMS 2014

Syncronising calving dates with grass growth is a critical component in grass based seasonal milk production. The target is 80% of the herd calved in the first 6 weeks and a calving interval of 365 days. The fodder crisis in 2013 impacted severely on herd fertility on some farms with the 6 week calving rate falling to 72% in 2014. (See table 2)

**Table 2**

	2013	2014	Range 2014
Calving Start Date	1st Feb	4 <sup>th</sup> Feb	25 <sup>th</sup> Jan – 14 <sup>th</sup> Feb
Calving Finish Date	16 <sup>th</sup> Apr	4 <sup>th</sup> May	1 <sup>st</sup> Apr – 29 <sup>th</sup> Jun
6 Wk Calving Rate (%)	74	72	50% - 87%
Calving Interval (days)	379	380	369 - 422
Herd EBI (€)	143	149	117 - 186
Fertility Sub-Index (€)	80	82	70 - 107

Recent research shows that for each 1% change in the 6 week calving rate there is an associated increase in profitability of €8.22/Cow per annum e.g. 8% increase in 6 week calving rate on 80 cow herd is worth €5261 per annum.

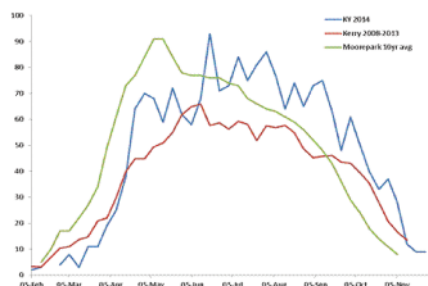
# GRASS PRODUCTION & UTILISATION

## MONITOR FARMS 2014

While grass production increased in 2014 there is still great potential to further increase grass DM production per Ha (See Table 3) The Kerry/Teagasc Soil Testing Programme has shown significant deficiencies in soil fertility. Only 5 – 10% of soils are considered fertile under all criteria. i.e. Lime, Phosphorus and Potassium. This is giving rise to great variation in grass production on the farm. Changes in legislation have now allowed deficiencies to be corrected more easily. This will improve the response to applied fertilisers and result in higher yields of grass. Remember that one tonne of grass DM utilized is worth €160 extra profit.

**Table 3**

	Tonne DM/Ha	Range
2014	12.4	10.1 – 15.4
2013	11.2	8.8 – 14.2



- \* Within farm variation (Range from 4 -16 tonne DM/Ha)
- \* Major soil fertility deficits
- \* Consider reseeding where production is less than 8 ton DM/Ha

# FINANCIAL PERFORMANCE

## MONITOR FARMS (2011 – 2014)

While global Dairy Markets impact strongly on the value of output there is considerable scope on many dairy farms to improve income by focusing on costs of milk production. Variable costs of milk production fell in 2014 primarily due to lower concentrate feeding costs. However large variances exist between farms. (See Table 4)

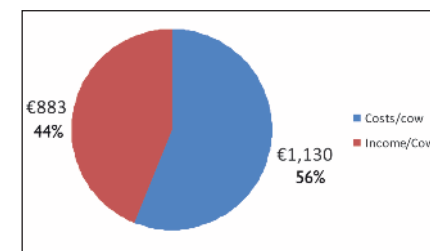
**Table 4**

	2011	2012	2013	2014	Variance 2014
Gross Output c/l	35.92	35.18	39.99	39.68	36.66 – 42.88
Variable Costs c/l	10.73	14.25	16.39	12.87	9.38 – 16.01
Fixed Costs c/l	8.51	9.26	9.03	9.41	7.38 – 11.68
Total Costs c/l	19.24	23.51	25.43	22.28	18.9 – 26.23
Dairy Income c/l	16.68	11.67	14.56	17.4	14.48 – 23.48

In the post quota era, investment in business expansion should only take place when the core business costs are under control and adequate provision is in place to mitigate against risk to the business i.e. low milk prices, poor climatic conditions and high input prices. Average costs on Monitor Farms in 2014 were €1130/Cow.

Variable costs increase with increasing production. Fixed costs increase in steps. Careful planning is required before climbing the next step.

**Separating the Gross Output of €2013/Cow into costs & income**



**Table 5**

	2011	2012	2013	2014
Cow No's	95	98	101	106
Herd EBI (€)	91	114	143	149
Milk Yield (Lit/ Cow)	5119	4903	5300	5076
Milk Solids/Cow(Kg)	388	374	407	400
Milk Solids/Ha (Kg)	921	922	1003	1033
Milk Solids (Kg/Farm)	36860	36652	41107	42400
Grass Utilised (T. DM/Ha)	9	7.1	9.4	10.2

Continuous focus on technical efficiency performance will help mitigate against the negative impacts on income caused by increasing costs and dairy market volatility. Monitor farms increased milk solids produced from their farms by 15% between 2011 and 2014 while increasing grass utilized on the milking block by 1.2 tonnes/Ha and increasing herd EBI to €149. (See Table 5)

## TARGETS FOR MILK PRODUCTION POST QUOTA

Milk Solids Sold (Kgs/Ha)	1000
Calving Interval (Days)	365
Somatic Cell Count (*000/ml)	<200
% Herd calved in 6 weeks	80
Replacement Rate(%)	20
Grass Dry Matter (Tonne/Ha)	14

# DAIRY FARMING & THE ENVIRONMENT

Agriculture accounts for 30% of Irish Green House Gas (GHG) emissions. Ireland is committed to reducing GHG emissions by 20% by 2020 despite the significant expansion in the dairy cow population post quota. The Carbon Footprint measures GHG emissions. The Sustainable Dairy Assurance Scheme (SDAS) will provide individual Carbon Footprint information to each certified milk supplier.

Teagasc & Bord Bia have developed the Carbon Navigator to assist milk suppliers in reducing the Carbon Footprint into the future. The Carbon Navigator does this by selecting five on farm practices that have a direct impact on reducing GHG emissions.

These are:

1. **Grazing Season Length**
2. **Grazing Season Length**
3. **Nitrogen Usage**
4. **Slurry Spread Timing**
5. **Energy Efficiency**

There is a strong correlation between GHG emission reduction and farm profit. This is shown in Table 3 where the progress achieved by the monitor farmers during the period 2011 – 2014 is presented. The overall impact is a 17.9% reduction in GHG emissions with a corresponding increase of €9809 in farm profit. This demonstrates that adoption of best practice on dairy farms has positive outcomes for both farm profit and the environment. (See Table 4)



## THE CARBON NAVIGATOR REPORT

Table 6

Farmer name	Monitor Dairy Group		Potential impact of meeting all targets	
Address	Kerry/Limerick/Clare			
Area farmed (ha)	73.56		GHG change	€ benefit
Average no. of Dairy cows	88		- 17.9%	€9,809
Average no. Cows Planned 2014	106			
Plan Year	2010			
C-Nav 1: Grazing season length				
	Current	Target	GHG change	€ benefit
Turnout date - Part Time (dd/mm)	15-Feb	07-Feb	- 1.6%	€2,257
- Full Time (dd/mm)	12-Mar	01-Mar		
Housing date - Part Time (dd/mm)	15-Oct	15-Oct		
- Full Time (dd/mm)	15-Nov	15-Nov		
Grazing Season Length	245	255		
C-Nav 2: EBI				
	Current	Target	GHG change	€ benefit
EBI	81	149	- 13.6%	€7,208
C-Nav 3: Nitrogen Usage				
	Current	Target	GHG change	€ benefit
Stocking rate (Kg N / Ha grass)	170.00	170.00	- 0.2%	€133
Chemical N used (Kg N / per Ha) : Urea	70.00	70.00		
Amonium N	130.00	130.00		
Import (+) or Export of Org Manure N/Ha				
Meal keeding Kg / Cow	650.00	650.00		
Milk output / cow (Kg milk solids)	395.00	400.00		
C-Nav 4: Slurry Spread Timing				
	Current	Target	GHG change	€ benefit
% in Spring	50	70	- 2.4%	€113
% Summer following 1st cut	30	30		
% Later in Summer	20			
Application Method	Splash Plate	Splash Plate		
C-Nav 5: Energy Efficiency				
	Current	Target	GHG change	€ benefit
Plate Cooler Present	Yes	Yes	- 0.1%	€98
Average Temp of Milk after Plate Cooler	15.0			
Variable Speed Vacuum Pump	No	Yes		
Method of Water Heating	Electricity	Electricity		